

Employment Rights Bill

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Introduction and Purpose of the Bill

The Employment Rights Bill is presented as a wide-reaching piece of legislation intended to modernise the UK's framework of workplace protections. Ministers describe it as a "central plank" of the government's plan to "make work pay," stressing that reforms are designed to be "pro-worker and pro-business." The Bill seeks to address long-standing concerns about exploitation in sectors reliant on insecure work, to rebalance unfair dismissal protections, to tackle abusive contractual practices, and to establish stronger enforcement mechanisms. Debate in both Houses showed consensus on the need for reform, but division on scope, implementation, and the potential cost for employers.

Zero-Hours Contracts and Guaranteed Hours

A centrepiece of the Bill is the reform of zero-hours contracts. The Government rejected a Lords amendment that would have given workers the right to request guaranteed hours, instead insisting the **legal duty must fall on employers** to offer them at the end of each reference period. Ministers argued this ensures rights are proactive rather than reactive: "Rather than providing flexibility, zero-hours contracts offer little or no control or ability to forward-plan." They stressed many workers on insecure contracts may not feel empowered to make requests, making employer-led obligations essential.

The scale of the issue was highlighted with figures: more than **one million workers are currently on zero-hours contracts, including approximately 480,000 young people aged 16–24**. Supporters of reform described the practice as particularly harmful to young workers, carers, and parents who cannot organise family or study commitments around unpredictable hours. Opponents, largely from the Conservative benches, argued compulsory offers would increase administrative burdens, especially for small firms and seasonal industries such as hospitality and agriculture.

Closely tied to this reform is the issue of **short-notice shift cancellations**. The Bill provides that "short notice" will not exceed seven days, but leaves the precise threshold to consultation and secondary legislation. In the Lords, cross-party peers pushed for a statutory 48-hour definition, and this was echoed in the Commons debate. The government refused to enshrine 48 hours in the Bill, but insisted the principle is agreed: "*We are fully in agreement that workers deserve reasonable notice of shifts. That is a fair and modern expectation.*" Opposition warned that leaving the figure to future regulations risks watering down protections, while Ministers defended flexibility and consultation with business.

Unfair Dismissal and Statutory Probation

The Bill introduces **day-one rights to protection from unfair dismissal**, replacing the previous two-year qualifying period. This marks a significant shift in the balance of employment rights. The government resisted the Lords' amendments, which sought to insert a six-month qualifying period, instead proposing a statutory probationary system. Ministers outlined a likely framework of a six-month probation with an optional three-month extension, giving employers “a light-touch process” to address suitability issues during this period.

Supporters of reform argued that removing the two-year wait would end an arbitrary barrier that leaves millions without protection in their early years of employment. Opposition cautioned that the tribunal system, already struggling with around 491,000 open cases, could face overwhelming pressure from additional claims. Business groups voiced concerns about increased legal costs and uncertainty, particularly for small employers. The Government's line is statutory probation strikes the right balance between fairness for workers and flexibility for businesses.

Fire-and-Rehire Practices

Another major reform is the Bill's prohibition of “**fire-and-rehire**” tactics. Ministers emphasised the legislation would prevent companies from dismissing staff only to rehire them on worse contracts. Crucially, protections are extended to cover workers displaced by agency staff or contractors, closing loopholes that allowed employers to undercut employees. The message was made clear in the debate: “No longer will unscrupulous employers be able to fire employees to replace them on low pay.”

While welcomed by unions and many MPs, business representatives raised concerns about limiting tools for corporate restructuring. The government countered that legitimate business reorganisation is still possible, but exploitative practices that destabilise livelihoods will be outlawed.

Non-Disclosure Agreements (NDAs) and Harassment

The Bill also delivers strong reforms on non-disclosure agreements, rendering them unenforceable if used to silence victims of bullying, harassment, or discrimination. At the same time, it protects the legitimate use of NDAs for safeguarding commercial secrets. This dual approach was praised as balanced and forward-looking, with the UK soon to have “the most comprehensive law on NDAs anywhere in the world.”

Further provisions extend protections to parliamentary staff and broaden the Equality Act to cover failure to make reasonable adjustments for disabled workers. This expansion was cited as evidence of the Bill's determination to strengthen rights for the most vulnerable groups.

Fair Work Agency and Enforcement Powers

The Bill establishes a new Fair Work Agency to centralise and co-ordinate enforcement, bringing together enforcement powers previously scattered across different regulators, and it will be authorised to share data between agencies. Amendments made clear definitions of “worker” and “employer,” extended enforcement powers to summary sheriffs in Scotland, and enabled the agency to act swiftly against underpayment of wages.

This institutional reform was described as vital to ending what campaigners see as fragmented enforcement. Critics, however, worried about bureaucracy and questioned whether sufficient resources would follow the new powers.

Trade Union Recognition and Industrial Action

The Bill revises the framework for trade union recognition and industrial action. It introduces stricter timetables for union recognition processes and sanctions for employers who obstruct them. The Government also reversed part of the 2016 Act by restoring the opt-out model for political funds, meaning members will be automatically included unless they choose otherwise.

The Lords sought to preserve a 50% turnout threshold for strike ballots, but the Government rejected this. Ministers argued the Bill brings union ballots into line with other democratic mandates, while critics warned strikes could be authorised on the basis of a minority of members.

Whistleblowing and Workplace Representation

The debate also covered whistleblowing protections and workplace representation. Lord's amendments sought to broaden rights, including expanding who can accompany staff at grievances and disciplinary meetings to include a “certified professional companion.” While there was sympathy for stronger whistleblowing safeguards, the Government insisted these issues be addressed in a wider review of the framework. Instead, a statutory duty to review qualifying public duties, such as time off for special constables, was inserted as a compromise.

Pensions, Tribunals and Administrative Reform

Smaller but significant reforms include changes to tribunal time limits and alignment with occupational pension scheme consultation requirements. The maximum consultation period for pensions is extended from **three to six months** to match the new tribunal timetable, reflecting the Bill's emphasis on consistency across regimes. These technical amendments, though less high-profile, matter for employers' compliance and administrative efficiency.

Adult Social Care — A Highlighted Priority

The legislation explicitly states it “*makes provision for a fair pay agreement in adult social care to address such practices.*” Evidence in debate: care workers have been left unpaid for travel

time, forced to buy uniforms, dropped at remote locations after shifts, and denied statutory sick pay because they were treated as “workers” rather than “employees.”

This exclusion became particularly damaging during the pandemic, when staff unable to afford unpaid sick leave continued working while ill, with fatal consequences for residents. The Bill responds by mandating fair pay agreements, improving sick-pay entitlement, and safeguarding against exploitative rostering. For providers, this means revisiting contracts, paying for transit time, and preparing for sector-wide minimum standards. As one supporter put it, the Bill “marks the beginning of dignity for the care workforce.”

Analysis and Implementation Risks

A consistent theme across the debate is the reliance on secondary legislation. Many critical details the definition of short notice, the length of reference periods, the structure of statutory probation, and enforcement mechanisms, will be settled by regulation after consultation. Ministers defended this approach as necessary to balance stakeholder input and avoid rigid statutes. Opponents argued it risks delay and dilution of protections.

Politically, the Bill has divided the Commons. Government members hail it as long overdue protection for exploited workers, while opponents raise the spectre of higher costs for SMEs, reduced flexibility in seasonal industries, and intensified tribunal backlogs. Business groups have pressed for clarity on timelines, while unions have called for rapid, robust regulations to ensure commitments are not weakened.

Conclusion

The Employment Rights Bill is an attempt to raise standards in UK workplaces. It addresses exploitative zero-hours practices, enshrines day-one unfair dismissal protection, outlaws fire-and-rehire, and delivers groundbreaking reforms on NDAs. It creates a central enforcement body, modernises trade union recognition, and tidies technical aspects of pensions and tribunals. Most notably, it gives explicit attention to adult social care, mandating fair pay agreements and improved sick pay for one of the country’s most undervalued workforces.

Its effectiveness will ultimately depend on implementation. With much left to consultation and regulation, the balance between worker dignity and employer flexibility will be decided not only in Parliament but in the design of the secondary legislation. For now, the Bill stands as one of the most sweeping employment law reforms in recent decades, ambitious in scope, contested in detail, and highly consequential for workers, employers, and especially for those in the care sector.